

BEFORE THE
UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL
PRIORITY MAIL CONTRACT 90

Docket No. MC2014-40

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 90 (MC2014-40)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-73

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE REQUEST TO ADD PRIORITY MAIL CONTRACT 90 TO THE
COMPETITIVE PRODUCT LIST

(August 26, 2014)

I. SUMMARY

The Public Representative hereby provides comments pursuant to Order No. 2159.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative. The Public Representative hereby comments on the August 18, 2014, Request² filed by the Postal Service.

The Public Representative observes that the Postal Service's Request comports with the provisions of 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30. The contract appears to be beneficial to the Postal Service, the contract partner and the general public.

II. DISCUSSION

Priority Mail Contract 90 is a competitive product not of general applicability within the meaning of 39 U.S.C. § 3632(b)(3). The Postal Service maintains that the prices and classification underlying Contract 90 are supported by Governors' Decision

¹ Notice and Order Concerning Addition of Priority Mail Contract 90 to the Competitive Product List, August 19, 2014 (Notice).

² Request of the United States Postal Service to Add Priority Mail Contract 90 to the Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision Contract, and Supporting Data, August 18, 2014 (Request).

No. 11-6. The contract will be effective one business day following the date the Commission issues its approval. The contract is to be in effect for three years unless either party decides, in writing, to terminate it. Request, Attachment B at 4. The Postal Service does note that the contract may be extended for up to two ninety calendar day periods with official notification to the Commission. *Id.*

Based on the public and non-public documentation and the financial workpapers filed by the Postal Service it is likely that the Contract will meet the requirements of 39 U.S.C § 3633(a) during the first year of the contract. The contract contains terms that adjust the prices on the effective date of the Postal Service's most recent change in prices of general applicability for competitive products. *Id.* The inclusion of these terms will help maintain the contract's ability to meet the requirements of 39 U.S.C. § 3633(a) over the lifetime of the contract. The Public Representative is also mindful that the Postal Service will file cost, revenue, and volume data in the Annual Compliance Report that will aid the Commission in ensuring the requirements of 39 U.S.C. § 3633(a) continue to be met.

III. CONCLUSION

After accessing and reviewing all materials the United States Postal Service submitted in this docket to include the documents filed under seal for Docket Nos. MC2014-40 and CP2014-73, the Public Representative believes that the contract will cover its attributable costs and make a positive contribution towards the Postal Service's total institutional costs.

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

/s/_____

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